

Message Text

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12

ACTION EB-11

INFO OCT-01 AF-10 ARA-16 NEA-14 ISO-00 FEA-02 AEC-11

AID-20 CEA-02 CIAE-00 CIEP-03 COME-00 DODE-00 FPC-01

H-03 INR-11 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07

RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00

FRB-03 PA-04 PRS-01 USIA-15 DRC-01 /194 W

----- 093187

R 011345Z AUG 74

FM AMEMBASSY TRIPOLI

TO SECSTATE WASHDC 1429

INFO AMEMBASSY ABUDHABI

AMEMBASSY CARACAS

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY TEHRAN

USINT ALGIERS

C O N F I D E N T I A L TRIPOLI 0853

E.O. 11652: GDS

TAGS: ENRG

SUBJECT: CURRENT OIL SITUATION AND PRICES, LIBYA

REF: TRIPOLI 0844

FURTHER CONVERSATIONS WITH MORE IMPORTANT NON-LARG
INDUSTRY REPRESENTATIVES HAVE CLARIFIED CURRENT SITUA-
TION ON SOME PERTINENT POINTS:

EQUITY OIL UNITED TO PARTICIPATION OIL PRICING IS
MOVING FAIRLY WELL. SOME COMPANIES HAVE CONTRACTS
WHICH DO NOT REQUIRE BUY-BACK UNTIL LATER THIS YEAR.
--100 PERCENT NATIONALIZED OIL, SUPPOSEDLY SELLING FOR
FULL PARTICIPATION PRICES. IE., \$13.20 TO \$13.35 PER

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BARREL, IS MOVING SLUGGISHLY AND LARG HAS STOPPED PRO-

DUCTION IN SOME FIELDS.

--SHELL WHICH WAS REPORTEDLY ACCEPTING COMPENSATION
CRUDE AT APPROXIMATELY \$11.70 PER BARREL, HAS CEASED
LIFTING BECAUSE PRICE, AT LEAST WHEN COUPLED WITH
COMPENSATION CONCEPT, IS HIGHER THAN MARKET WARRANTS.
--COMPANIES WHICH ARE FORCED TO BUY-BACK 51 PERCENT
PARTICIPATION OIL ARE MOVING OIL AT "AVERAGE ACQUISITION
PRICE" (APPROXIMATELY \$11.70) WITH ALMOST NO
PROFIT AND SALES ARE SLOW. BECAUSE OF CONSUMER RE-
SISTANCE, COMPANIES HAVE HAD TO ABSORB TWO PERCENT
OF THE OPEC TAX INCREASE AND HAVE NOT BEEN ABLE TO
PASS IT ON IN FORM OF HIGHER PRICES.
STEIN

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Message Attributes

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Disposition Remarks:
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30 JUN 2005

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